**Terms of Reference 2**

**I. Introduction**

Ukrainian Helsinki Human Rights Union (hereinafter - the Organisation) wishes to engage the services of an audit firm for the purpose of auditing all 17 sub-grantee for the period from 01.01.2015 to 31.12.2015. The audit shall be carried out in accordance with international audit standards issued by IAASB1. The audit shall be carried out by an external, independent and qualified auditor (Approved Public Accountant/Authorized Public Accountant or equivalent).

**II. Objectives and scope of audit**

* to **express an audit opinion** on the Report on the Receipt and Use of Funds under the Agreements between the Organisation and 17 sub-grantee Organizations;
* on the above basis to summarise the findings on all sub-grantees internal control issues and assess control risk and identify significant deficiencies, including material weaknesses, to the extent of the auditing procedures necessary for expressing the opinion;
* to evaluate the compliance of sub-grantees with national tax laws and regulations;
* to evaluate compliance with the obligations in above mentioned Agreements. For this purpose the auditor should be provided with  copies of above mentioned Agreements;
* to verify whether the organisation makes documented assessments of the audited financial reports submitted to the organisation and whether these reports are followed-up by the organisation;
* provide information on all expenditures incurred during 1 January – 31 December 2015 with a monthly breakdown by the following categories:
* Permanently employed staff (based on the organization’s roster): first/last name/s, position held;
* Service providers/contractors (first/last name/s, types of services rendered);
* Physical persons, registered as private entrepreneurs (first/last name/s, types of services rendered);
* to state which measures have been taken as a result of previous audits and whether measures taken have been adequate to deal with reported shortcomings.

**II. The Reporting of the Auditor**

The Auditor should submit **a Management Letters** to the Organisation and sub-grantees upon completion of the audit, which contains the auditor’s opinion and findings. The list of findings is not limited by the scope of work and the auditor is free to address further issues and include any observations that Sida should be informed about. The reporting shall contain details regarding used audit methodology and the scope of the audit. The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in priority.

The reporting shall contain an assurance that the audit was performed in accordance with IAASB international audit standards and by a qualified auditor.

The reporting shall contain the responsible auditor’s signature, title and the name of the audit firm.

The reporting shall be written in Ukrainian and English and be presented to the Organisation and sub-grantees in two hard copies and one digital.

1 The International Auditing and Assurances Standards Board (IAASB)